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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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2007 JUN 13 P 4: 13

AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA WATER COMPANY, an Arizona
corporation,

Complainant,

vs.

GLOBAL WATER RESOURCES, LLC, a foreign
limited liability company; GLOBAL WATER
RESOURCES, INC., a Delaware corporation;
GLOBAL WATER MANAGEMENT, LLC, a
foreign limited liability company; SANTA CRUZ
WATER COMPANY, LLC, an Arizona limited
liability corporation; PALO VERDE UTILITIES
COMPANY, LLC, an Arizona limited liability
corporation; GLOBAL WATER – SANTA CRUZ
WATER COMPANY, an Arizona corporation;
GLOBAL WATER – PALO VERDE UTILITIES
COMPANY, an Arizona corporation; JOHN AND
JANE DOES 1-20; ABC ENTITIES I – XX,

Respondents.

DOCKET NO. W-01445A-06-0200
SW-20445A-06-0200
W-20446A-06-0200
W-03576A-06-0200
SW-03575A-06-0200

**NOTICE OF RULE
30(b)(6) DEPOSITION OF
ARIZONA WATER COMPANY**

YOU ARE HEREBY NOTIFIED that, pursuant Arizona Rules of Civil Procedure,
Rules 26 and 30, the deposition will be taken upon oral examination of person(s) named below at
the time and place stated before an officer authorized by law to administer oaths. A general
description of person(s) from whom testimony is requested, sufficient to identify such person(s) is
given below:

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Arizona Corporation Commission

DOCKETED

JUN 13 2007

DOCKETED BY

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PERSON TO BE EXAMINED	Arizona Water Company ("AWC"), an Arizona Corporation.
DATE OF DEPOSITION	June 28, 2007
TIME OF DEPOSITION	10:00 am
PLACE OF DEPOSITION	Roshka, DeWulf & Patten, PLC 400 East Van Buren Street Suite 800 Phoenix, Arizona 85004

Under Arizona Rules of Civil Procedure, Arizona Water Company ("AWC") is requested to identify the person or persons most knowledgeable to testify and provide information on the following topics:

1. Explain the basis for AWC's belief that Global Water Resources, LLC, Global Water, Inc. and/or Global Water Management (hereinafter "Global") have illegally and improperly entered into agreements with landowners and prospective utility customers. Identify and provide any and all documentation that AWC believes substantiates its belief. Identify those members, agents, employees, officers or other affiliated individuals of AWC who have this belief.
2. Explain the basis for AWC's belief that Global illegally and improperly solicited landowners and prospective utility customers within AWC's Certificate of Convenience and Necessity ("CC&N") or contiguous to AWC's CC&N. Identify and provide any and all documentation that AWC believes substantiates its belief. Identify those members, agents, employees, officers or other affiliated individuals of AWC who have this belief.
3. Explain the basis for AWC's accusation that Global, Santa Cruz Water Company ("Santa Cruz") and/or Palo Verde Utilities Company ("Palo Verde") are interfering or are about to interfere with AWC existing water systems, lines and/or plant. Provide specifics as to

1 how AWC believes Global, Santa Cruz, and/or Palo Verde are interfering or about to
2 interfere with AWC existing water systems, lines or plant. Identify and provide any and
3 all documentation that AWC believes substantiates its belief. Identify those members,
4 agents, employees, officers or other affiliated individuals of AWC who have this belief.

4 4. Explain the basis for AWC's accusation that Respondents unlawfully represented to the
5 public that they provide utility service or will provide utility service. Identify and provide
6 any and all documentation that AWC believes substantiates its belief. Identify those
7 members, agents, employees, officers or other affiliated individuals of AWC who have
8 this belief.

8 5. Explain the basis for AWC's accusation that the other Respondents act as alter egos of
9 Santa Cruz and/or Palo Verde and that such other Respondents avoided, evaded
10 Commission authority. Identify and provide any and all documentation that AWC believes
11 substantiates its belief. Identify those members, agents, employees, officers or other
12 affiliated individuals of AWC who have this belief.

12 6. Explain the basis for AWC's accusation that Respondents has violated Decision No.
13 67830. Identify and provide any and all documentation that AWC believes substantiates
14 its belief. Identify those members, agents, employees, officers or other affiliated
15 individuals of AWC who have this belief.

15 7. Explain all areas that AWC believes it has rights to under what it calls the "first in the
16 field" doctrine. Explain the facts that support this belief. Explain AWC's belief as to the
17 scope and expanse of that doctrine as it applies to un-certificated areas in Arizona.
18 Explain the facts that support this belief. Identify and provide any and all documentation
19 that AWC believes substantiates its belief. Identify those members, agents, employees,
20 officers or other affiliated individuals of AWC who have this belief.

20 8. Explain the areas that AWC believes are within AWC's "master planning areas and for
21 which the public interest compels that Arizona Water Company be the certificated water
22 utility." Explain the facts that support this belief. Identify and provide any and all
23 documentation that AWC believes substantiates its belief. Identify those members,
24 agents, employees, officers or other affiliated individuals of AWC who have this belief.

24 9. Explain the basis for AWC's belief that Global uses Infrastructure Coordination and
25 Financing Agreements ("ICFAs") to circumvent and evade Commission authority.
26 Identify and provide any and all documentation that AWC believes substantiates its belief.
27 Identify those members, agents, employees, officers or other affiliated individuals of
AWC who have this belief.

10. Explain AWC's basis for believing that ICFA payments should be treated as advances-in-aid-of-construction ("AIAC") or contributions-in-aid-of-construction ("CIAC"). Identify and provide any and all documentation that AWC believes substantiates these beliefs. Identify those members, agents, employees, officers or other affiliated individuals of AWC who have these beliefs.
11. Explain AWC's belief that the Respondents Public Private Partnership ("P3") agreements are a scheme to avoid compliance with Arizona law and Commission jurisdiction. Identify and provide any and all documentation that AWC believes substantiates these beliefs. Identify those members, agents, employees, officers or other affiliated individuals of AWC who have these beliefs.
12. Explain any and all transactions between AWC and Utility Investment Company, Inc. ("UIC") Further explain any and all transactions between AWC and United Resources, Inc. ("URI") Further explain the benefits of these transactions between AWC, UIC and/or URI.
13. Explain any past and current litigation with any party involving reclaimed water service, including but not limited to AWC's lawsuit against the City of Casa Grande (and/or its Mayor, Council, any Officers, and/or any special district formed by or under the City's authority).
14. Explain any past and current litigation with Arizona Department of Water Resources, or any other party involving conservation efforts or groundwater management plans, including but not limited to Superior Court, Maricopa County, Cause Nos. CV 90-001840, CV 99-008015.
15. Explain any past and current litigation involving appeals of Commission Decisions that granted a CC&N to integrated water and wastewater providers, including AWC's appeal of the Commission's Decision in Docket Nos. W-04264A-04-0438 et. al.
16. Identify any and all owners and shareholders of URI. Identify the percentage of any and all owners and/or shareholders interest in URI, including the number and class of shares each shareholder has in URI.
17. Identify and describe all dealings with Southwest Water Company ("Southwest") to provide wastewater service in Arizona. Describe any and all methods and procedures to determine where Southwest will provide wastewater service in Arizona and in the United States of America. Identify any and all locations where Southwest has provided wastewater service in Arizona and in the United States of America. Describe any and all locations where Southwest provides integrated water and wastewater service in any territories where it provides such service. Identify and describe any and all agreements

1 between AWC and Southwest to provide integrated water and wastewater service and
2 reclaimed water service in territories in commonly serves.


- 3 18. Describe any and all of AWC's methods for: (1) financing integrated water and
4 wastewater facilities; (2) financing reclaimed water facilities; (3) financing surface water
5 facilities; and (4) financing recharge water facilities.
- 6 19. Describe how AWC, UIC and URI obtain capital (debt and equity) including the sources
7 and amounts of capital.
- 8 20. Describe how capital flows between AWC, UIC and URI and other affiliates of AWC.
- 9 21. Explain the management of AWC communicates with UIC, URI and other affiliates of
10 AWC.
- 11 22. Describe and explain the circumstances involving AWC's request to the Commission for
12 treated effluent tariff and its subsequent withdrawal of that request.
- 13 23. Explain the financial statements for AWC, UIC, and URI for each of the past five years, as
14 well as reports by any of these entities under A.A.C. R14-2-805.
- 15 24. Explain any and all financing available to and used by AWC over the past five years.
16 Explain AWC's definition of paid-in-capital, the sources of this paid-in-capital and the
17 purposes for same.
- 18 25. Explain AWC's Business Loan Agreement and subsequent amendments with Bank of
19 America originally entered into on June 1, 2002, and amended May 27, 2003; June 26,
20 2004; April 26, 2005; December 14, 2005; May 31, 2006. Describe the purposes for
21 which AWC borrowed money from Bank of America pursuant to the Business Loan
22 Agreement and/or any and all of the amendments subsequently entered into and identified
23 above.
- 24 26. Explain and describe AWC's understanding of ICFAs, its terms and conditions, what
25 payments entail and cover, when payments are to be made, whether ICFAs are voluntary,
26 whether ICFAs supplant line extensions, whether ICFAs allow Santa Cruz and/or Palo
27 Verde to provide water and wastewater service absent Commission approval and a
CC&N. Provide all sources and documentation that AWC believes substantiates its
belief. Identify those members, agents, employees, officers or other affiliated individuals
of AWC who have this belief.

- 1 27. Describe AWC's experience in issuing bonds including any difficulties in issuing such
2 bonds in the past five years.
- 3 28. Explain AWC's basis and justification for believing that Global ICFAs are similar to
4 financing methods previously rejected by the Commission, including those that were the
5 subject of Decision No. 61943. Identify any and all documentation – other than Decision
6 No. 61943 – that AWC believes substantiates its belief. Identify those members, agents,
7 employees, officers or other affiliated individuals of AWC who have this belief.
- 8 29. Explain if and when AWC's Water Resource Master Plan ("Plan") will be completed.
9 Explain the major components of its Plan. Explain whether the Plan will include facilities
10 and/or components for providing integrated water and wastewater service, reclaimed
11 water service, recharge wells and facilities and surface water facilities. Explain how the
12 proposed facilities in the Plan will be financed.
- 13 30. Explain whether AWC has suffered any damages from Respondents' use of the ICFAs,
14 and if so, an explanation of the type and amount of damages.
- 15 31. Explain whether AWC has suffered any damages from Respondents' use of the P3-
16 agreements with the Cities of Casa Grande and Maricopa, or the agreement between the
17 Respondents and the Ak-Chin Indian Community, and if so, an explanation of the type
18 and amount of damages.
- 19 32. Explain whether AWC has suffered any damages from communications between
20 Respondents and landowners, and if so, an explanation of the type and amount of
21 damages.
- 22 33. Explain whether AWC is aware of other public service corporations using agreements
23 similar to the ICFAs, and if so, the identity and nature of such agreements.
- 24 34. Explain whether any officer or director of AWC was involved in any way in the conduct
25 that is subject to a proposed fine in California Public Utilities Commission Dockets 05-
26 08-021 and 06-03-001.
- 27 35. Explain how AWC became aware of the ICFAs and what information AWC has
concerning the ICFAs.
36. Explain how AWC became aware of the P3 agreements and what information AWC has
concerning the P3 agreements.

- 1 37. Explain the basis for AWC's belief that Global Water Resources, LLC is a public service
2 corporation. Provide all sources and documentation that AWC believes substantiates its
3 belief. Identify those members, agents, employees, officers or other affiliated individuals
4 of AWC who have this belief.
- 5 38. Explain the basis for AWC's belief that Global Water, Inc. is a public service corporation.
6 Provide all sources and documentation that AWC believes substantiates its belief. Identify
7 those members, agents, employees, officers or other affiliated individuals of AWC who
8 have this belief.
- 9 39. Explain the basis for AWC's belief that Global Water Management, LLC is a public
10 service corporation. Provide all sources and documentation that AWC believes
11 substantiates its belief. Identify those members, agents, employees, officers or other
12 affiliated individuals of AWC who have this belief.
- 13 40. Explain what information AWC has concerning contacts or communications between
14 Respondents and landowners as described in the complaint. Identify all sources and
15 documentation concerning such communication.
- 16 41. Explain the basis for AWC's belief that Global Water Resources, LLC, Global Water, Inc.
17 and Global Water Management, LLC "exert control" over Palo Verde Utilities Company
18 and Santa Cruz Water Company or that they "conceived, administered and operated as
19 alter egos" of Palo Verde and Santa Cruz. Provide all sources and documentation that
20 AWC believes substantiates its belief. Identify those members, agents, employees, officers
21 or other affiliated individuals of AWC who have this belief
- 22 42. Explain the basis for AWC's belief that the Cities of Casa Grande and Maricopa have
23 acted "in complete disregard for the public interest" with respect to the Respondents.
24 Provide all sources and documentation that AWC believes substantiates its belief. Identify
25 those members, agents, employees, officers or other affiliated individuals of AWC who
26 have this belief.
- 27 43. Explain the basis for AWC's belief that ICFA fees should be refunded. Provide all sources
and documentation that AWC believes substantiates its belief. Identify those members,
agents, employees, officers or other affiliated individuals of AWC who have this belief....

1 RESPECTFULLY SUBMITTED this 13th day of June 2007.

2 ROSHKA DEWULF & PATTEN, PLC

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4 By 
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6 Michael W. Patten
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9 Original and 21 copies of the foregoing
10 filed this 13th day of June 2007 with:

10 Docket Control
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007

13 Copy of the foregoing hand-delivered/mailed
14 this 13th day of June 2007 to:

14 Lyn Farmer, Esq.
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